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BY E-FILE

The Honorable Christopher J. Burke
Magistrate Judge
United States District Court for the District of Delaware
844 King Street
Wilmington, DE 19801

Re: Invensas Corporation v. Renesas Electronics Corporation, D. Del., C.A. No. 11-448-GMS-CJB

Dear Judge Burke:

Invensas submits this letter pursuant to the Court's April 18, 2013 oral order authorizing the parties to submit additional information relevant to the Court's resolution of the disputes presented in the parties' joint letter of April 16, 2013 (D.I. 102).

During an April 10, 2013 teleconference, the Court addressed Invensas's requests within the general categories of (1) "Marketing, lender, and investor documents concerning the product families within which the accused products are sold" and (2) "Financial data (including sales, fixed and variable costs, and profit information) for product families containing non-accused products that are sold with accused products." The Court held that, while "at some point the defendants might be able to make a showing that certain subcategories of those categories are unduly burdensome to produce or cumulative, ***that [showing] hasn't been made here***." 4/10/13 Tr. at 40:22-41:2 (emphasis added). After Renesas represented that compliance would be burdensome, however, the Court instructed the parties to further meet and confer and to present to the Court any remaining disputes. *Id.* at 58:8-18.

As part of the Court-ordered meet and confer, Invensas prepared the following detailed list of subcategories at issue to focus the dispute (*see* Ex. A at 7-8 (4/13/13 e-mail)):

1. **All presentations or literature provided by or on behalf of Renesas (including its wholly owned subsidiary Renesas Electronics America ("REA")) to actual or prospective customers regarding the SuperH, USB, V850, and Automotive product lines, or referring to one or more accused products.**
2. **All English-language communications by Renesas/REA to actual or potential customers regarding the SuperH, USB, V850, and Automotive product lines, or referring to any of the accused products.**

3. **All English-language communications (internal or external, including with customers and distributors) or other Renesas/REA documents which refer to interoperability, complementariness, breadth of options within a product line, or availability of BGA designs as features or marketing advantages for Renesas's SuperH, USB, V850, and Automotive product lines, or for the MCU or MCU/MPU categories of products.**

4. **All investor or lender communications referring to the SuperH, USB, V850, and Automotive product lines, or to the MCU or MCU/MPU categories of products.**

5. **All Renesas/REA documents relating to the benefit or value of the SuperH, USB, V850, and Automotive products lines (or any other sub-category of products by which Renesas may internally classify the accused products) to Renesas's business, including documents reflecting historical performance and projections for those lines.**

6. **Unit sales, revenue, and cost (including all fixed and variable costs, separately stated) information, in English, for the SuperH, USB, V850, and Automotive LSI products lines.**

Renesas did not argue during meet and confer that any of these subcategories are unduly burdensome. Nor did Renesas argue that any of these subcategories are irrelevant or cumulative. With the exception of its argument that it should be permitted to withhold documents maintained by REA, Renesas provided no objection to *any* of Invensas's narrowed requests. Nonetheless, Renesas refused to confirm that it would fully comply with them. As set forth in the joint filing (D.I. 102), there appear to be three primary disputes with respect to these categories. Each dispute is addressed below.

I. Renesas must produce REA's documents because parent corporations are required to produce documents from wholly owned subsidiaries.

Ignoring settled law that parent corporations *must* produce documents from their wholly owned subsidiaries, Renesas refuses to produce any documents within the six categories that it contends are maintained by Renesas's wholly-owned subsidiary, REA. *See, e.g., E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 621 F. Supp. 310, 312 n.3 (D. Del.1985) (citing cases and holding that parent corporations must produce a wholly-owned subsidiary's documents under Fed. R. Civ. P. 34 because the documents are "within the possession, custody or control of the parent corporation"); *Uniden Am. Corp. v. Ericsson Inc.*, 181 F.R.D. 302, 305 (M.D.N.C. 1998) ("[A] litigating parent corporation has control over the documents in the physical possession of its subsidiary corporation where the subsidiary is wholly owned or controlled by the parent corporation."). Because Renesas contends that REA is responsible for all of its United States sales, this appears to implicate the majority of the requested English-language sales and marketing communications.

After the parties filed their joint letter regarding issues in dispute (D.I. 102), on April 24, the Court granted Invensas's motion for leave to name REA as a party. Invensas then reached out to Renesas to ask if Renesas would reconsider its position. Renesas still refused, stating that it would produce no REA documents until after Invensas serves *new* requests on REA, and after any disputes relating to those requests are resolved. Renesas's position, already contrary to law before REA was a party, now has been revealed as gamesmanship with no purpose other than to delay production. Pursuant to settled law, *e.g., DuPont*, 621 F. Supp. at 312 n.3, Renesas should be ordered to produce its REA documents without further delay.

II. Renesas has no valid objection to the production of sales, marketing, and investor/lender documents concerning its Automotive product line and investor/lender documents regarding its MCUs.

During the meet and confer, Invensas asked Renesas to confirm that it would produce marketing, sales, financial projection, and investor/lender documents for the SuperH, USB, V850, and Automotive product lines. Ex. A at 7. These categories represent product groups within which Renesas markets the accused products. Invensas also specifically requested investor/lender documents discussing the significance of microcontrollers ("MCUs") to Renesas's business. During meet and confer, Renesas made no argument that any of these documents were irrelevant, cumulative, or unduly burdensome. Renesas nonetheless refuses to produce ***any*** documents specifically directed to the Automotive and MCU product categories.[1]

The documents Invensas seeks regarding Renesas's Automotive product lines and MCUs unquestionably are relevant. Not only are the majority of Renesas's accused products MCUs, but many of the accused products (including, for example, R8A77700ADA01BGV, R8A77710BDA01BGV, and R8A77240D500BG)[2] are marketed by Renesas specifically within the "Automotive" product line. Renesas describes its MCUs, including MCUs for Automotive applications, as a significant driver of its profitability. Ex. B at 16 (Renesas Investor Presentation: "Global Automotive MCU Share: 42% No.1").

Furthermore, sales of the accused products are likely to generate sales of other Renesas products. Renesas's strategy is to be a "platform supplier," providing a combination of MCUs and other products to its customers. *See* Ex. B at 27-28. Moreover, Renesas's auto industry customers in particular often purchase several different semiconductor chip packages together as part of a single ***system*** or ***platform***. *See e.g.,* Ex. C at 7 (Renesas presentation to Auto Industry showing a combined system that includes numerous packages including an MCU). For example, the accused R8A77700ADA01BGV product is used for car navigation systems, and is combined with many other packages types that Renesas sells. *See, e.g.,* Ex. D at 1-2 ("System Block" diagram showing the accused package in a system with connected SDRAM packages, USB, SRAM, and "other LSI"); *see also* Ex. E at 1 ("Renesas and our partners offer various software and development tools which support large-scale and complex software development ***for automotive***") (emphasis added).

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[1] Renesas stated instead that it would produce documents for the "VR" family, which does not appear from Renesas's website to be a family name currently used by Renesas for marketing purposes. To the extent that any accused products were previously marketed within a "VR" family, therefore, they are now marketed within another product grouping.

[2] Additionally, several of the custom products for which Renesas has not yet provided customer or product family information also appear to be Automotive.

These limited illustrative examples, even though based only on the limited public information available to Invensas, plainly show that the subcategories of documents sought by Invensas related to Renesas's Automotive product line and MCUs are relevant to the determination of Invensas's damages. *See Georgia-Pacific Corp.* v. *U.S. Plywood Corp.*, 318 F. Supp. 1116 (S.D.N.Y. 1970) (factors relevant to a reasonable royalty include: "[t]he effect of selling the patented specialty in promoting sales of ***other products*** of the licensee.") (emphasis added).

As the Court correctly noted during the April 10, 2013 teleconference, Renesas had provided no reason why compliance with the full scope of Invensas's requests should not be compelled. Given a second chance, during the Court-ordered meet and confer following the teleconference, Renesas once again failed to supply any such reason—even for the more limited subcategories identified by Invensas for the focused meet and confer. Renesas should, therefore, be ordered to produce all of the documents covered by the six categories identified above, including documents related to its Automotive product lines and MCUs.

III. Renesas improperly insists on producing its financial data in Japanese.

Renesas improperly insists on producing the financial data requested in category six in Japanese, not English. Notably, this financial data is not being produced in the form of Japanese documents produced from Renesas's business files. Rather, it is contained in spreadsheets ***specifically created by Renesas for this litigation*** containing specific data for products at issue in this litigation. Renesas does not contend that the spreadsheets ***cannot*** be created in English; to the contrary, the English-language investor documents that Invensas has located on the Internet (*see, e.g.*, Ex. B) illustrate that Renesas has financial employees who are proficient in English and could prepare these spreadsheets in English.

Furthermore, Renesas relies on these Japanese language spreadsheets as its ***only response*** (purportedly pursuant to Rule 33(d)) to Invensas's interrogatories regarding financial and sales information. *See* Ex. F (Interrogatory Responses). Renesas's refusal to provide the information in English is particularly improper, therefore, because "when a party responds to an interrogatory by producing documents written in a foreign language, Rule 33(d) requires the responding party to provide a translation of those documents." *Nature's Plus Nordic A/S v. Natural Organics, Inc.*, 274 F.R.D. 437, 441 (E.D.N.Y. 2011). Accordingly, Renesas should be ordered to provide its financial data in English.

Respectfully,

/s/ Philip A. Rovner

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PAR:mes/1103643
cc: All counsel of record – by CM/ECF and E-mail
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